

June 28, 2006

Joe and Christie Ison
JCM Marketing

Federal Trade Commission

To Whom It May Concern:

Thank you for your interest in the direct marketing business, specifically in the proposed Business Opportunity Rule (16 CFR Part 437).

First, we would like you to know that our business through Quixtar allows us a significant secondary income, with the legitimacy and backing of a large, well-managed corporation. Specifically, it has allowed one of us (Christie) to stay home with our daughter and the other (Joe) the option to also retire within the next two years. We do actively sponsor people as well as sell products to customers.

We have found this industry to be a positive and liberating way to take advantage of our nation's free market system. We also recognize that there are also many other legitimate direct sales companies. We have found, however, that less-than-legitimate operations have damaged the reputation of our industry and we would like to see this remedied, which we are sure is the intent of your proposed rule.

While we agree with some of the proposed changes, others would create an unfair and significant detriment to our family's business and to our industry.

- **We agree** that full disclosure **about how income is created** should occur when sharing a business opportunity.

However, we hope that no government regulation would occur as to **when** this should occur before registering a new business partner. For example, we prefer to first share a general idea of direct sales and business concepts, then share more details at a later time if there is still interest on both sides.

- **We agree** that any direct sales organization should have a generous, or at least **reasonable buy-back/cancellation policy**.

We believe this helps maintain the good name of legitimate organizations.

- **We disagree** with the proposed requirement of giving "references" of other business participants.

We provide several opportunities for prospects to meet other *active* business owners through **local meetings**. As most direct sales organizations offer a local meeting to meet *active* business owners (the **ONLY** ones who should be asked about how the business works), the requirement of producing a list becomes unnecessary.

This should simply become a free market comparison among direct sales companies between those who do or do not have local meetings where a prospect may meet active business owners.

- **We strongly disagree** with the proposed seven-day waiting period.

Direct sales businesses are designed to grow quickly. **This allows our organization's newest person to become profitable quickly**, rather than having to wait several months before turning a profit.

A better solution is the requirement of a strong cancellation policy, which would negate any arguments of "impromptu decisions."

- **We strongly disagree** with the proposed required disclosures of legal allegations and financial records.

These proposals go against the very nature of our country's free market system and would damage our family's ability to do business effectively.

Regarding legal allegations:

Innumerable companies are sued and accused every month, for both legitimate and illegitimate reasons, but obviously the FTC would not require a traditional retailer to report these allegations. In this instance, **any retailer would suffer perceived negativity whether the claims were legitimate or not**. The exact same would happen to our business, but multiplied because of the person-to-person nature of what we do. Perceptions become even more important, and the addition of unnecessary negative information would greatly reduce sponsoring and progress in our business.

A better solution would be to identify the legitimate lawsuits against direct sales companies and incorporate the issue at hand into FTC regulation, which is more than likely already the case. If there is an issue with breaking these regulations, then they should be more strongly enforced rather than slowing down those organizations that do not break those rules.

Regarding financial records:

We would prefer that privately held companies should never be required to release their financial records, for competitive and other reasons. If the

FTC required direct sales organizations to do this, the precedent implications for **all** private companies would be substantial.

A **better solution** would be to make a strong **recommendation** to all direct sales organizations to release general figures, such as overall annual sales or profits paid out to participants. This would create a self-policing atmosphere within the industry and provoke prospects to question those organizations that do not share this information.

And on an unmentioned topic:

- **We strongly ask** that current FTC regulations regarding Ponzi schemes/pyramids are more strongly enforced.

For example, we understand that direct sales organizations are not supposed to make money for sponsoring people, but we know of several in operation locally that actively promote this as the primary source of income. We also understand that there must be goods and services available and sold, which are not openly discussed in these organizations.

Our concern is that these organizations create a bad reputation for our industry. If their activities are truly illegal, they should be corrected.

We also believe that if this were done, many of the above issues would become resolved in the process.

Again, we thank you for your interest in “cleaning up” the direct sales industry. It will be beneficial to our family business as well as the industry at large, but only if changes allow legitimate organizations to operate in a free and profitable manner.

Sincerely,

Joe and Christie Ison
JCM Marketing
Quixtar IBOs